APPENDIX.

[Vide item VI (1) on page 39 supra.]

THE MADRAS GENERAL SALES TAX (AMENDMENT) BILL, 1957 (L.A. BILL No. 10 OF 1957).

Composition of the Select Committee.

CHAIRMAN :

1 The Hon. Sri C. SUBRAMANIAM.

MEMBERS :

2 Srimathi T. N. ANANDANAYAKI.
3 Sri G. ANNAMALAI MUTHURAJA.
4 Sri P. S. CHINNADURAI.
5 Sri K. S. G. HAJA SHERIFF.
6 Sri M. KALYANASUNDARAM.
7 Sri P. G. KARUTHIRUMAN.
8 Sri R. KRISHNASWAMI NAIDU.
9 Sri V. S. MANICKASUNDARAM.
10 Sri K. RAMACHANDRAN.
11 Sri M. P. SARATHY.
12 Sri K. SATTANATHA KARAYALAR.
13 Sri R. SRINIVASA IYER.
14 Sri R. SUBRAMANIAM.
15 The Hon. Sri R. VENKATARAMAN.

SECRETARIAT :

Sri T. HANUMANTHAPPA, B.A. (Hons.), B.L. (*Secretary*).
Sri G. M. ALAGARSWAMY, B.A., B.L. (*Assistant Secretary*).

REPORT OF THE SELECT COMMITTEE ON THE MADRAS GENERAL SALES TAX (AMENDMENT) BILL, 1957 (L.A. BILL No. 10 OF 1957).

To

THE HONOURABLE THE LEGISLATIVE ASSEMBLY,
MADRAS.

The Select Committee appointed to consider the Madras General Sales Tax (Amendment) Bill, 1957 (L.A. Bill No. 10 of 1957), has the honour to make the following report.

2. The Bill was published in English in an extraordinary issue of the *Fort St. George Gazette*, Part IV-A, dated the 23rd July 1957, and in Tamil on the 31st July 1957.

3. The Committee was appointed by a resolution of the Assembly, dated the 27th July 1957.

4. The Committee met in the Committee Room, Legislators' Hostel (Old), Government Estate, Mount Road, Madras-2, on the 31st July 1957 for the consideration of the Bill.

26th October 1957]

5. The Committee has subjected the provisions of the Bill to a detailed scrutiny and considers that no change in the Bill is called for.

6. The Committee decided that the Bill need not be republished.

7. A copy of the Bill as approved by the Committee is annexed.

8. The minutes of dissent given by a Member are appended.

GOVERNMENT ESTATE,
MOUNT ROAD, MADRAS-2,
2nd August 1957.

C. SUBRAMANIAM,
Chairman.

ANNEXURE.

[NOTE.—**No changes were made by the Select Committee**].

L.A. BILL No. 10 OF 1957.

A Bill further to amend the Madras General Sales Tax Act, 1939.

WHEREAS it is expedient further to amend the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), for the purposes hereinafter appearing;

BE it enacted in the Eighth year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Madras General Sales Tax (Amendment) Act, 1957.

(2) It shall come into force on such date as the State Government may, by notification appoint.

2. *Amendment of section* 5, *Madras Act IX of* 1939.—In clause (v) of sub-section (1) of section 5 of the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939) (hereinafter referred to as the principal Act), item (1) and the entries relating thereto shall be omitted.

3. *Substitution of new section for section 5-A in Madras Act IX of* 1939.—For section 5-A of the principal Act, the following section shall be substituted, namely :—

" 5-A. *Tax on sales or purchases of certain goods.*—(1) The sale of the following goods shall be liable to tax under section 3, sub-section (1), only at the point of the last sale effected in the State of Madras by a dealer, but at the rate specified against them :—

Serial number.	*Description of goods.*	*Rate of tax on the turn-over.*
(1)	(2)	(3)
		PER CENT.
(1)	Coal, including coke in all its forms	2
(2)	Iron and steel, that is to say—	
	(*a*) pig iron and iron scrap	2
	(*b*) iron plates sold in the same form in which they are directly produced by the rolling mill ..	2

[26th October 1957

Serial number.	*Description of goods.*	*Rate of tax on the turn-over.*
(1)	(2)	(3)
		PER CENT.
(2)	Iron and steel, that is to say—*cont.*	
	(*c*) steel scrap, steel ingots, steel billets, steel bars and rods	2
	(*d*) (i) steel plates .. .. (ii) steel sheets .. .. (iii) sheet bars and tin bars.. (iv) rolled steel sections .. (v) tool alloy steel .. .. } Sold in the same form in which they are directly produced by the rolling mill.	2
(3)	Jute, that is to say, the fibre extracted from plants belonging to the species *corchorus capsularis and corchorus olitorius* and the fibre known as *mesta* or *bimli* extracted from plants of the species *hibiscus cannapinus* and *hibiscus sabdariffavar altisima*, whether baled or otherwise	2
(4)	Oil seeds including groundnut, that is to say, seeds yielding non-volatile oils used for human consumption, or in industry, or in the manufacture of varnishes, soaps and the like, or in lubrication, and volatile oils used chiefly in medicines, perfumes, cosmetics and the like	2
(5)	Cotton yarn, except (*a*) handspun cotton yarn and (*b*) cotton yarn waste	1

(2) Cotton, that is to say, all kinds of cotton (indigenous or imported) in its unmanufactured state whether ginned or unginned, baled, pressed or otherwise, but not including cotton waste, shall be liable to tax under section 3, sub-section (1), only at the point of the last purchase effected in the State of Madras by a dealer, but at the rate of one per cent on his turnover.

(3) Raw hides or skins shall be liable to tax under section 3, sub-section (1), only at the point of the last purchase effected in the State of Madras by a dealer, but at the rate of two per cent on his turnover.

(4) The sale of dressed hides or skins shall be liable to tax under section 3, sub-section (1), only at the point of the last sale effected in the State of Madras by a dealer, but at the rate of two per cent on his turnover :

Provided that no tax shall be payable under this sub-section if the dealer proves that the tax has already been levied on the raw hides or skins out of which the dressed hides or skins had been produced.

(5) Notwithstanding anything contained in sub-section (3) of section 3, the dealer shall be assessed to tax under sub-sections (1) to (4), irrespective of the amount of the turnover of such dealer being less than the minimum specified in sub-section (3) of section 3.

(6) Notwithstanding anything contained in sub-sections (1) to (4), no tax shall be levied in respect of the last sale or purchase inside the State of the goods specified in this section if the goods purchased are intended for sale in the course of inter-State trade or commerce.

26th October 1957]

Explanation.—The expression " last sale or purchase inside the State " means the transaction in which a dealer registered under this Act—

(i) sells to or purchases from another such dealer the goods specified in this section for use by the purchaser in the manufacture of goods for sale or for use by the purchaser in the execution of any contract; or

(ii) purchases the goods specified in this section from another such dealer for sale to a dealer not registered under this Act or to a consumer in the State of Madras.

GOVERNMENT ESTATE,
MOUNT ROAD, MADRAS-2,
2nd August 1957.

T. HANUMANTHAPPA,
Secretary.

APPENDIX.

DISSENTING MINUTES.

I

The Bill seeks to tax the last sale which will be impossible to fix. Further this will lead to harassment of small dealers and as regards cotton yarn at least 20, 30 and 40 counts should be exempted from sales tax as otherwise it will affect the handloom weavers.

PARAMAKUDI,
13*th August* 1957.

K. RAMACHANDRAN.

TAMIL NADU LEGISLATIVE ASSEMBLY
TRUTH ALONE TRIUMPHS